

San Luis Obispo County
Department of Planning & Building

Concept Paper:
Mobilehome Park Conversion Ordinance

October, 2005

Executive Summary

Purpose Statement

Existing mobilehome parks are an important part of the affordable housing stock in San Luis Obispo County. These existing parks are coming under economic pressure to convert to more profitable land uses or to subdivide into mobilehome condominium lots. No new mobilehome parks have been developed and vacant spaces in the existing parks are rare. Park residents who own their mobilehome could be displaced as a result of a mobilehome park conversion. They may be unable to find space in other parks to move their home to or unable to afford the move even if a space were available.

Many park residents who own their mobilehomes are retired or on limited incomes. A mobilehome represents a significant personal investment, but that value may be lost if the mobilehome is removed from a desirable park. These residents also suffer if they must move away from their jobs and medical or social support network.

The County desires to protect the owners of mobilehomes from unreasonable evictions and undue financial hardship caused by mobilehome park conversion. At the same time the County desires to recognize the rights of park owners to pursue changes in land use. In some instances allowing an older mobilehome park to be converted to a new use would promote orderly community development.

Proposed Mobilehome Park Conversion Ordinance

The County has reviewed the ordinances of 20 other cities and counties. With regards to the County's housing policies and the current shortage of affordable housing, the County is considering adoption of an ordinance to regulate mobilehome park conversion proposals. Such an ordinance should include the following components:

- A. Obtain a Conditional Use Permit approval. Any proposal to close, or subdivide, or convert to another land use, or expand or improve any portion or all of an existing mobilehome park shall first obtain Conditional Use Permit approval.
- B. Each resident and mobilehome owner shall be given a "notice of intent" by developer to subdivide, change or close the mobilehome park at least 60 days prior to submittal of the application.
- C. Submit an Impact Report that indicates the number of mobilehomes that will remain or be displaced. For displaced units describe the age, size and condition of the mobilehomes, available vacant mobilehome spaces in San Luis Obispo County and their space rental rates, the willingness of other site owners to receive any displaced mobilehomes, and all relocation costs. For displaced residents, describe the household sizes, income levels, whether they own or rent the mobilehome, and the monthly housing costs (space rent and/or unit rental rate).
- D. Provide all residents and mobilehome owners with a copy of the Impact Report and a hearing notice at least 15 days before the Conditional Use Permit hearing.

- E. All displaced residents and mobilehome owners shall be given a written “notice of termination of tenancy” and a minimum of 180 days after approval of the Conditional Use Permit to vacate their spaces. Each displaced household shall receive a \$500 moving fee, whether they rent or own their mobilehome.
- F. A Conditional Use Permit may be denied if there is substantial evidence that residents or mobilehome owners were coerced into publicly supporting permit approval or refrained from public opposing permit approval.

Option to Sell or Relocate –

- G. The owners of each displaced mobilehome shall have the option to sell the mobilehome at “in-place” value, or to have the mobilehome relocated at no cost.
 - 1. Option to Sell. Developer to buy the mobilehome and pay the “in-place” sale value, which shall be the appraised fair market value as determined by an independent appraiser utilizing principles applicable in relocation matters.
 - 2. Option to Relocate. Developer to pay all costs related to moving the mobilehome to a receiving site (in San Luis Obispo County), including moving costs, mobilehome set-up costs, utility hook-up fees, and any move-in deposit. The receiving site shall be acceptable to the mobilehome owners and shall be available and willing to receive the mobilehome.
- H. Relocation Plan. The developer shall submit a Relocation Plan identifying all units to be relocated, and identifying for each unit the cost of relocation, the new location site, and the timeframe for relocation.

Mobilehome Park Subdivision -

- I. If an existing mobilehome park will be subdivided, the following additional requirements shall apply:
 - 1. Each mobilehome owner shall be given the option to buy his space, or to continue residency as a tenant for a limited time period, pursuant to Government Code Section 66427.5.
 - 2. Submit a survey of all mobilehome park residents indicating the level of support for the proposed subdivision, pursuant to Government Code Section 66427.5.
 - 3. Submit a Property Condition Report, prepared by a civil engineer, describing the physical condition of the buildings, common areas, and any deficiencies in compliance with current building, fire and zoning codes. Provide cost estimates for needed repairs, ongoing maintenance costs and for homeowners association fees. Indicate the approximate sales price of the mobilehome spaces and indicate which mobilehome owners will buy their space. Provide a copy of the Property Condition Report to each household in the mobilehome park.
 - 4. Provide a one-year reserve fund for the homeowners’ association.
 - 5. Obtain approval of CC & R documents.

Approval of Conditional Use Permit

- J. The County may approve the Conditional Use Permit only if it finds that the permit has adequate measures to address the financial impacts and other adverse impacts to the residents and/or owners of the displaced mobilehomes.

Options For Addressing Mobilehome Park Conversion Proposals

The County will consider several options before processing any amendments to its existing mobilehome park ordinances. These options include the following:

1. Status quo – continue to evaluate applications to convert mobilehome parks for conformance with existing County ordinances and state laws.
2. Amend the ordinances to allow conversions after the impacts to existing park residents have been considered and mitigation measures are implemented to relocate displaced mobilehome owners. Consider factors such as “in-place value” of the mobilehome, moving expenses, the distance and rent rate of available spaces in the nearest comparable mobilehome park.
3. Create a program for the County that would help to pay for the costs of mitigation measures (i.e. relocation costs) with public funds if the expense can be justified by a fiscal impact analysis. The analysis must show that a clear revenue benefit to the County would result (i.e., increased tax income) if a mobilehome park were converted to a new land use.
4. Promote the purchase of mobilehome parks by the park residents and/or nonprofit agencies.
5. Promote the development of new affordable mobilehome parks. The County could participate by approving suitable zone changes, providing funds, and buying land or using any available County owned land to develop new mobilehome parks.
6. Prohibit the conversion of existing mobilehome parks.

Guiding Principles

The County is unlikely to adopt ordinance amendments or new programs that do not meet the certain basic principals. All amendments and new programs regarding mobilehome park conversions should be consistent with the following principles:

- Be legally defensible
- Be feasible to implement, and can be applied with minimal difficulty
- Equitably balance the interest of the mobilehome park owners, the mobilehome unit owners and renters, and the County.
- Contribute towards achieving the County’s housing goals.

Overview of Existing Laws and Ordinances

California Government Code

There are several California state laws that address mobilehome park conversions. These include the following:

Government Code Section 65863.7 – Impact Report. Prior to closure or conversion of a mobilehome park into another land use, the developer shall file a report that describes the impact on the park residents who will be displaced. The report shall describe what spaces

are available in other mobilehome parks and the costs of relocation. The developer or park residents may request a hearing before the local legislative body. The legislative body may consider adding conditions requiring the developer to mitigate the impacts to the displaced residents, as long as the developer is not required to pay more than reasonable relocation costs.

Government Code Section 66427.4 – Impact Report for new subdivisions (same as requirements for 65863.7). If this is a subdivision of an existing mobilehome park, the park residents shall be given option to buy or rent their spaces, and a survey shall be conducted to determine how many residents support the subdivision. For residents who chose to rent their spaces, the increase in rental rates shall be phased over a four-year period.

San Luis Obispo County

The County of San Luis Obispo has incorporated the state laws described above in the County's Land Use Ordinance Section 22.30.440 – Residential – Mobilehome Parks. In addition, the County requires that any subdivision or conversion of a mobilehome park to another land use must obtain approval of a Conditional Use Permit.

Other Counties

County staff has reviewed the ordinances of 19 other counties and cities throughout California. Seven jurisdictions have adopted mobilehome park conversion ordinances that are more stringent than the requirements of the state or San Luis Obispo County. The ordinances from four jurisdictions are briefly described below. Further information is provided in Appendix A of this document.

Santa Barbara County

Mobilehome park subdivisions are prohibited because of the hardship that they pose on low income mobilehome owners. Mobilehome park conversion to other uses shall conform to state laws.

Ventura County

With any mobilehome park closure or conversion to another land use the developer must pay all relocation costs. The developer is required to submit a Relocation Plan describing the aid that will go to each displaced resident, cost of moving, new residence location, and the steps to be taken to insure a successful relocation. If the mobilehome cannot be moved then a "buy-in-place" requirement is imposed, using the appraised fair market value. The conversion may be approved only if it will not significantly decrease Ventura County's affordable housing stock and there is no evidence that mobilehome park residents were coerced in any way regarding their support of the conversion or the amount of relocation aid they accept. Assistance must also be given to tenants who do not own their mobilehomes.

Orange County

Relocation requirements apply to mobilehome park subdivision. The developer must pay all relocation costs. The developer is required to submit a Housing Program describing how affordable housing will be protected, the aid that will go to each displaced resident, cost of moving and the new residence location. Particular consideration must be given to the elderly and others who may encounter difficulty in finding a new residence. Assistance must also be given to tenants who do not own their mobilehomes.

San Diego County

For a mobilehome park subdivision, the developer must describe the replacement cost of each displaced mobilehome, using the standard insurance replacement criteria. In addition, the developer must describe relocation costs, available spaces in other mobilehome parks with a written commitment from owners of those parks to accept the relocated units and tenants, a timetable for vacating the existing park, and a written agreement between the park owner and the tenants to vacate the park, with provision of payment by the park owner of up to \$2000 in relocation costs to low and moderate income tenants to cover the cost of relocating a mobilehome to another park within 100 miles.

Golden State Manufactured-Home Owners League

The Golden State Manufactured-Home Owners League (GSMOL) is a statewide organization representing the interests of mobilehome owners. GSMOL has prepared a sample ordinance that would apply to any mobilehome park closure or conversion to a different land use. The sample ordinance requires a developer to submit an impact report describing relocation costs, available mobilehome park spaces within a 30 mile radius, a list of relocation specialists (i.e., housing counselors and mobilehome movers), and a timetable for relocation. Relocation assistance shall include any of the following: full cost of relocating a mobilehome with 12 months rental subsidy if the rent rate at the new park is higher, purchase of a mobilehome at its appraised "in-place" market value, or 24 month rent subsidy for displaced residents who move into apartment housing. Both mobilehome owners and tenants would receive assistance. The developer may receive a full or partial exemption from the requirements to provide relocation assistance if the requirements would eliminate the economic value of any alternative uses of the land.

Appendix A

Comparison Table of Mobilehome Park Conversion Ordinances

County staff reviewed the ordinances of 20 counties and cities throughout California. Six of the jurisdictions have mobilehome park conversion ordinances requiring relocation assistance for mobilehome owners. The table also shows the requirements of the California Government Code and of GSMOL's sample ordinance.

	California Gov't Code	Orange Co.	San Diego Co.	Ventura Co.	Santa Cruz Co.	Sonoma Co.	Long Beach City	Oxnard City	GSMOL
Impact Report									
Available spaces elsewhere	X	X	X	X	X	X	X	X	X
Cost to relocate MH*	X	X	X	X	X	X	X	X	X
Will MH be accepted in new MHP		X	X	X	X			X	X
Rent cost of space at new MHP									X
Cost to replace MH*			X	X				X	X
Timetable to vacate MHP			X					X	X
Age, size, condition of all MH		X	X	X	X			X	X
Tenant list-all names/addresses**		X	X	X				X	X
Age/family size of displaced tenants		X	X	X				X	X
Income level of displaced tenants		X	X	X				X	
Length of tenancy of all tenants		X	X	X				X	X
Park's space rent rate (1+years)		X		5 yrs	X			5 yrs	X
How many will buy space		X							
Agreement btw. MHP & tenants**			X						
Concept plan (of new uses)			X	X				X	
Relocation Assistance									
Assistance in all MHP conversions (not just MHP subdivisions)				X				X	X
Relocation plan***		X		X		X		X	X
Notice period to move		1 yr.	5 yrs	2 yrs	1 yr.		1 yr.	2 yrs	6 mo
1 st Option to buy in MHP subdivision		X			X				
Pay relocation costs		All	X	All	X		All	All	X
Higher space rent in new MHP covered									1 yr.
"Buy in place"				X	X		X	X	X
Assistance to MH renters		X		X				X	X
Special Findings (see below)				X	X	X	X	X	

MH = mobilehome

MHP = mobilehome park

* Relocation cost – use the cost of simply moving the MH to a new MHP (if another MHP will accept the MH).

* Replacement cost - if no MHP will accept the MH, use standard insurance replacement criteria (San Diego) or "fair market value" estimate from a relocation appraiser (Ventura & Oxnard).

**Tenant list – either the County or the MHP owner shall provide notice to all tenants of application to convert. MHP owner shall continue giving notice to all new tenants.

**Agreement between MHP & displaced tenants – schedule of removal, relocation assistance, new locations - require before subdivision map recordation or permit approval (permit to close MHP).

***Relocation Plan – describes aid to go to each displaced tenant, cost of moving, new residence location, steps to be taken to insure successful relocation.

Special Findings

Sonoma Co. & Long Beach City – there must be adequate space in other MHP's or available land zoned for MHP's – Long Beach will rezone more land if needed

Santa Cruz Co. – must be adequate space in other MHP's to accept the displaced units (consider age, type of unit and income level of owner).

Ventura Co. & Oxnard City – approve closure only if it will not significantly decrease County's affordable housing stock and there are adequate mitigation measures for the displaced residents.

Ventura Co. & Oxnard City – may deny MHP Closure permit if evidence that residents were coerced not to oppose project or to reject assistance. Also require assistance for tenants renting MH

Other Information

Santa Barbara prohibits conversion of rental MHP's to MHP subdivisions because of the hardship it would pose on low income MH owners.

Ventura Co. – requires MHP closure permit

Orange Co. – requires all tenants get a copy of engineering report – describing structural, mechanical electrical, plumbing, improvements needed and cost estimates to improve. Good for ownership MHP's.

Orange Co. - requires MHP owner to submit a relocation plan describing: cost of physical moving, first & last months' rent security & cleaning deposits, phone connection & utility deposits. Particular consideration shall be given to elderly, handicapped, families with children, and other tenants who may encounter difficulty in finding a new residence.

Sonoma Co. Housing Element – describes possibility of County partnering with nonprofits to convert MHP's into affordable housing.

San Diego Co. – (1) has an action plan to subsidize MHP conversions to ownership parks. (2) requires written commitment from other MHP owners willing to receive displaced units. (3) allows for MHP owner to give tenants 5 year notice, describe available spaces within 100 miles, and provide \$2000 relocation cost. The relocation cost will decrease 20% each year down to \$0 after five years. (notice to vacate per 798.56(f) of Civil Code)

Golden State Mobilehome Owners League (GSMOL) has a sample MHP conversion ordinance – advocating payment of all reasonable relocation costs to move a unit within 30 miles, purchase the unit at its "in-place" market value, or payment of rental assistance for 24 month.